(b) whether Government had discussed the issue with States/UTs;

(c) if so, the response received from them;

(d) if not, the reasons therefor; and

(e) the present items under the VAT in each State/UTs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (e) Under Entry 54 of the State List of the Constitution, 'tax on purchase or sale of goods within a State' is a State subject. Thus, the State Sales Tax as well as State VAT (which has been implemented to replace the State Sales Tax) is a State subject. An Empowered Committee of State Finance Ministers (EC) has been constituted to deliberate upon and decide all matters concerning Sales Tax/VAT, including the structure of rates of tax on various commodities. Thus, it is for the EC to decide as to which items are to be brought under VAT and if so, what would be the rates of tax on such items.

The EC has decided to keep Motor Spirits (including Petrol, Diesel and Aviation Turbine Fuel) outside VAT. These items are subject to 20% floor rate of tax (except that the floor rate for Diesel is 12.5% in case of Nprth-Eastern States, Sikkim and J&K). States may levy taxes at rates higher than the floor rates for these items. On the other hand, the EC has decided to bring certain items under VAT. Out of these items, Cooking Gas (LPG), Natural Gas, Naptha, Lubricants, Low Sulphur Heavy Stock (LSHS) and Compressed Natural Gas (CNG) are taxable @ 12.5% under VAT and PDS kerosene is taxable @ 4%. Since it is a State subject, it is entirely for the EC and the State Governments to take a decision in this regard and the Central Government has no proposals on this issue.

Loan to farmers by banks

† 243. SHRI PYARELAL KHANDELWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that public and private sector banks are bound to grant 18 per cent share of their primary sector loan to the agriculture *i.e.* farmers as per rule;

(b) if so, the details of the loan provided to the farmers (not to the institutions) in the last two years, State-wise, bank-wise and the share of this loan to that of the primary sector loan of the above said banks;

† Original notice of the question was received in Hindi.

(c) whether it is also a fact that inspite of all the efforts, above banks are not liberal in providing loan to farmers; and

(d) if not, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) As per guidelines of Reserve Bank of India, domestic scheduled commercial banks are mandated to lend to the priority sector to the extent of 40% of their Net Bank Credit (NBC). The stipulated lending by these banks to agriculture sector (within the priority sector target) is 18% of NBC.

(b) The amount of Agriculture Advances and their share in net bank credit of public sector banks and private sector banks for the last two eyars is as under:—

(Amount in Rs. crore)

Bank Group	March 2004	March 2005
Public Sector Banks	86187	1,12,475
	(15.41%)	(15.7%)
Private Sector Banks	17,651	21,473
	(15.81%)	(12.1%)

(Figures in brackets show the amount as % of NBC)

Bank-wise details of loans to agriculture by public sector banks and private sector banks for the last two years is given in the enclosed Statement-I (See below). State-wise details of public sector banks are given in the enclosed Statement-I I *(See* below).

(c) and (d) No, Sir. The disbursement by commercial banks (public and private sector) to agriculture has registered substantial increase during the last few years as shown below:

(Rs. in crore)

		2001-02	2002-03	2003-04	2004-05
Disbursement		33587 % Growth	39774	52441	81481
over previous year	20.8%		18.4%	31.8%	55.38%

Statement-I

Agricultural Advances Outstanding of Public Sector Banks—Bank-wise details

(Rs. in crores)

	March, 2004		March, 2005	
Name of the Banks	Amount	% to NBC	Amount	% to NBC
Allahabad Bank	2,891.24	18.56	3,913.10	18.74
Andhra Bank	2,091.79	16.65	3,077.56	18.42
Bank of Baroda	3,948.56	16.24	4,574.73	15.45
Bank of India	4,718.00	16.92	7,044.00	18.68
Bank of Maharashtra	1,327.78	11.74	1,826.64	13.36
Canara Bank	6,545.00	14.69	8,782.00	15.28
Central Bank of India	4,326.75	19.25	5,759.74	18.24
Corporation Bank	1,115.11	9.58	1,169.71	7.41
Dena Bank	1,743.63	18.52	1,748.71	11.66
Indian Bank	2,214.00	18.08	3,191.70	19.08
Indian Overseas Bank	3,366.53	18.53	4,178.97	18.05
Oriental Bank of Commerce	2,410.00	12.25	3,518.42	11.70
Punjab National Bank	9,347.21	20.08	11,660.88	18.98
Punjab & Smd Bank	1,206.40	19.28	1,263.88	18.19
Syndicate Bank	2,724.37	16.29	4,138.15	18.10
Union Bank of India	4,558.78	15.80	6,161.21	16.10
United Bank of India	1,306.00	15.34	1,549.00	12.82
UCO Bank	2,376.00	12.29	3,783.00	14.15
Vijaya Bank	1,429.30	13.62	1,837.31	13.18
State Bank of India	16,992.89	12.79	20,526.31	11.90
State Bank of Bikaner & Jaipur	1,376.23	16.35	2,146.86	18.16
State Bank of Hyderabad	1,604.18	14.36	1,896.47	13.05
State Bank of Indore	1,196.38	18.24	1,666.43	18.27
State Bank of Mysore	866.37	15.21	1,227.80	14.88
State Bank of Patiala	2,367.00	18.97	2,891.00	18.95
State Bank of Saurashtra	972.79	17.88	1,209.82	18.96
State Bank of Travancore	1,164.48	11.70	1,731.55	12.46
TOTAL	86,186.77	15.41	12,474.95	15.68

Statement-ll

State-wise credit flow to Agriculture by Commercial Banks

(Rs. in crores)

SI. No.	Name of the State/UTs	2003-04	2004-05
1.	Chandigarh	372	908
2.	New Delhi	2421	3880
3.	Haryana	2298	3716
4.	Himachal Pradesh	257	427
5.	Jammu & Kashmir	26	63
6.	Punjab	5051	7696
7.	Rajasthan	1450	2328
8.	Arunachal Pradesh	2	12
9.	Assam	162	201
10.	Manipur	2	16
11.	Meghalaya	48	19
12.	Mizoram	3	9
13.	Nagaland	5	17
14.	Tripura	21	25
15.	Sikkim	4	5
16.	Bihar	656	1092
17.	Jharkhand	182	310
18.	Orissa	386	710
19.	West Bengal	1570	2285
20.	Andaman & Nicobar	2	3
21.	Madhya Pradesh	1511	2629
22.	Chhattisgarh	173	266
23.	Uttar Pradesh	3568	5674
24:	Uttaranchal	213	345
25.	Dadra & Nagar Haveli	0	1
26.	Daman & Diu	0	0
27.	Gujarat	2300	3625
28.	Goa	33	71

SI. No. Name of the State/UTs	2003-04	2004-05
29. Maharashtra	2852	4041
30. Andhra Pradesh	5809	8727
31. Karnataka	3297	4830
32. Kerala	1803	2703
33. Lakshadweep	1	1
34. Pondicherry	61	114
35. Tamil Nadu	4835	7459
TOTAL	41373	64206
Private Sector Commercial Banks*	10230	16263
Others	837	1012
Grand Total:	52441	81481

*State-wise data not available

*Agricultural **Advances outsanding of Private** Bank-wise details*

Sector Banks—

(Rs in crores)

	March, 2004		March,	
Name of the Banks	Amount	%NBC	Amount	%NBC
Bank of Rajasthan Ltd.	287.47	7.47	343.54	6.83
Bharat Overseas Bank Ltd.	81.39	8.18	86.97	7.11
Catholic Syrian Bank Ltd.	92.52	5.28	127.00	5.43
City Union Bank Ltd.	124.57	7.06	139.70	6.78
Dhanalakshmi Bank Ltd.	118.81	11.11	147.52	10.35
Federal Bank Ltd.	380.33	6.31	604.86	8.22
Ganesh Bank of Kurundwad Ltd.	30.13	26.21	31.47	26.95
ING Vysya Bank Ltd.	699.63	10.91	872.66	10.40
Jammu & Kashmir Bank Ltd.	919.19	6.84	754.72	7.29
Karnataka Bank Ltd.	589.58	12.13	625.00	10.27
Karur Vysya Bank Ltd.	497.72	11.30	631.04	13.59
Lakshmi Vilas Bank Ltd.	222.23	12.22	305.01	14.19
Lord Krishna Bank Ltd.	205.82	61.7	196.21	7.93
Nainital Bank Ltd.	32.10	13.31	40.10	11.04

Name of the Banks	March, 2004		March , 2005	
	Amount	% to NBC	Amount	% to NBC
Ratnakar Bank Ltd.	54.65	10.98	46.32	10.45
Sangli Bank Ltd.	114.00	13.73	79.19	10.33
SBI Commercial & International Bank Ltd.	78.72	25.97	47.64	13.88
South Indian Bank Ltd.	341.30	10.07	539.72	10.72
Tamilnad Mercantile Bank Ltd.	254.54	11.90	408.41	14.51
United Western Bank Ltd.	364.32	10.19	395.56	10.28
Bank of Punjab Ltd.	397.08	7.39	415.25	11.32
Centurion Bank Ltd.	194.95	6.06	243.13	11.73
Development Credit Bank Ltd.	225.97	5.04	153.74	5.07
Global Trust Bank Ltd.*	276.08	5.33	—	—
HDFC Bank Ltd.	2.949.35	13.88	4,202.52	14.15
ICICI Bank Ltd.	4,205.88	21.72	6.646.15	17.25
IDBI Bank Ltd.	862.00	5.10	824.04	6.28
Indusind Bank Ltd.	818.18	9.67	572.68	7.16
Kotak Mahindra Bank Ltd.	164.21	8.36	387.26	9.93
UTI Bank Ltd.	2,269.55	15.03	1,605.22	10.95
Yes Bank	—	—	—	—
TOTAL	17,651.77	12.32	1,472.63	12.09

*Merged with Oriental Bank of Commerce

Special grant to Food Sector Industries

244. SHRI C. PERUMAL: Will the Minister of FINANCE be pleased to state:

(a) whether a scheme for introduction of new machinery and modernization of existing machinery was introduced in which the Central Government would bear 25 per cent of expenditure in food sector industries;

(b) if so, the details thereof;

(c) how much grant has been sanctioned so far;